

Part I – Agency Profile

Agency Overview

The Idaho Department of Environmental Quality (DEQ) is a state department created by the Idaho Environmental Protection and Health Act (title 39, chapter 1, Idaho Code) to ensure clean air, water, and land in the state and to protect Idaho citizens from the adverse health impacts of pollution.

As a regulatory agency, DEQ enforces various state environmental regulations and administers a number of federal environmental protection laws including the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, and the Resource Conservation and Recovery Act.

DEQ performs a broad range of functions including:

- Assessment of environmental problems;
- Oversight of facilities that generate air, water and hazardous waste pollution;
- Monitoring of air and water quality;
- Developing and assisting in the implementation of air and water quality improvement plans;
- Cleanup of contaminated sites; and
- Education, outreach and technical assistance to businesses, local government agencies, and interested citizens.

DEQ is committed to working in partnership with local communities, businesses, and citizens to identify and implement cost-effective environmental solutions.

There are six divisions within DEQ that are responsible for developing, for administering and enforcing environmental requirements, and for providing technical and administrative support. The divisions are: Air Quality, Water Quality, Waste Management and Remediation, Planning and Special Projects, Technical Services, and Environmental Management and Information.

On-the-ground implementation of environmental programs is conducted by the regional offices which are located in Boise, Coeur d'Alene, Idaho Falls, Lewiston, Pocatello and Twin Falls. In addition, DEQ has three satellite offices which are located in McCall, Grangeville, and Kellogg. The staff located in the regional and satellite offices are the primary service providers of DEQ. The staff in each regional office consists of environmental specialists in the areas of air quality, water quality, and waste management and remediation. These specialists work directly with the citizens, businesses, and industries in their particular regions to implement the environmental policies and programs of Idaho.

The responsibilities of DEQ are authorized by various legislative mandates, many of which empower the state to implement and enforce federally mandated environmental programs.

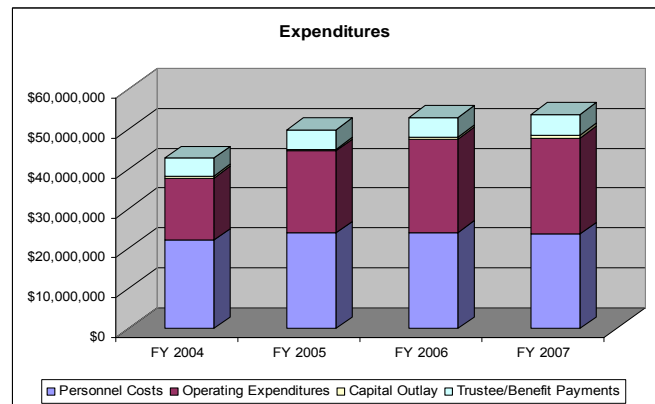
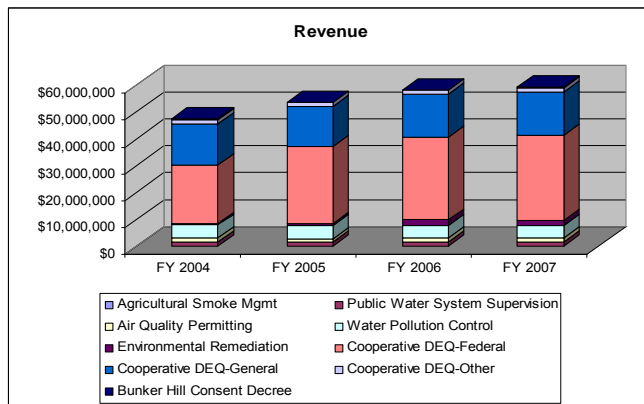
The Idaho Board of Environmental Quality (Board) is a rulemaking and advisory body created by the Environmental Protection and Health Act (title 39, chapter 1, Idaho Code). The Board may adopt, amend, or repeal the rules proposed by DEQ that are necessary and feasible to carry out provisions of the Environmental Protection and Health Act and to enforce the laws of the state. DEQ, with assistance from the Office of the Attorney General, is responsible for drafting rules for consideration by the Board. Anyone aggrieved by an action or inaction of DEQ may request a hearing by the Board or a Board-designated hearing officer. Final determinations of the Board are subject to judicial review.

Core Functions/Idaho Code

- **Air Quality:** DEQ assures compliance with federal and state health-based air quality standards by collecting air quality information; monitoring; developing and issuing permits; and coordinating air quality improvement efforts among communities, citizen groups, businesses, industries, other state agencies, tribes, and the U.S. Environmental Protection Agency (EPA). (title 39, chapter 1, Idaho Code; Clean Air Act)
- **Water Quality:** DEQ protects the surface and ground waters of the state to support beneficial uses and provide safe drinking water supplies by setting standards, certifying project compliance with standards, monitoring, reporting on quality, developing and implementing improvement plans, issuing wastewater re-use permits, and providing grants and loans for drinking water and wastewater treatment facilities construction. (title 39, chapters 1, 36, 64, 66, 76, Idaho Code; title 37, chapter 21, Idaho Code; and the Clean Water Act)
- **Waste Management and Remediation:** DEQ ensures management and disposal of the waste generated in or entering Idaho in a manner protective of human health and the environment. DEQ responds to releases of hazardous substances to surface waters, ground waters, or soils. DEQ conducts, oversees, and negotiates cleanups of contaminated sites and, with communities, rehabilitates contaminated sites to productive use. (title 39, chapters 1, 44, 58, 65, 71, 74, 81, Idaho Code; Resource Conservation and Recovery Act (RCRA); and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA))
- **INL Oversight:** DEQ oversees activities at the Idaho National Laboratory and maintains an independent environmental surveillance program designed to verify and supplement INL monitoring programs. DEQ develops a "big picture" view of how the site affects Idaho's environment and inhabitants. DEQ works with other state agencies, and assists local governments statewide in their planning and response to emergencies involving radiological materials. DEQ addresses issues of interest to the public and provides information when and where needed. (title 39, chapter 1, Idaho Code)

Revenue and Expenditures

Revenue	FY 2004	FY 2005	FY 2006	FY 2007
Agricultural Smoke Mgmt	\$0	\$0	\$0	\$0
Air Quality Permitting	\$1,649,800	\$1,361,500	\$1,379,768	\$1,468,356
Public Water System				
Supervision	\$1,308,900	\$1,326,600	\$1,511,992	\$1,396,440
Water Pollution Control	\$4,826,300	\$4,823,400	\$4,840,390	\$4,865,609
Environmental Remediation	\$684,200	\$707,300	\$1,957,080	\$1,771,572
Cooperative DEQ-Federal	\$21,888,500	\$28,724,700	\$30,800,981	\$31,724,600
Cooperative DEQ-General	\$15,146,000	\$15,234,100	\$16,242,200	\$16,247,000
Cooperative DEQ-Other	\$1,526,200	\$1,255,500	\$1,454,067	\$1,604,831
Bunker Hill Consent Decree	\$262,600	\$65,700	\$65,671	\$266,046
Total	\$47,292,500	\$53,498,800	\$58,252,149	\$59,344,454
Expenditure	FY 2004	FY 2005	FY 2006	FY 2007
Personnel Costs	\$22,141,900	\$23,950,300	\$24,100,940	\$23,722,000
Operating Expenditures	\$15,621,100	\$20,626,200	\$23,426,860	\$23,996,700
Capital Outlay	\$412,400	\$413,600	\$437,199	\$874,800
Trustee/Benefit Payments	\$4,536,900	\$4,744,700	\$4,891,254	\$5,100,100
Total	\$42,712,300	\$49,734,800	\$52,856,253	\$53,693,600



Profile of Key DEQ Services Provided

The following table contains some of the key services DEQ provides to communities, businesses, and the citizens of Idaho.

Cases Managed and/or Key Services Provided	FY 2004	FY 2005	FY 2006	FY 2007
Air Quality Permits to Construct Issued	52	61	67	87
Air Quality Tier I (Title V) Permits Issued	12	10	17	25
Air Quality Tier 2 Permits Issued	23	14	11	10
Air Inspections and Evaluations Conducted	180	121	150	133
Wastewater Grant \$ Awarded	163,610	117,000	192,282	454,234
Drinking Water Grant \$ Awarded	178,981	206,000	197,362	158,471
401/404 Water Quality Certifications Issued	885	695	765	576
Wastewater Land Application Permits Issued	28	22	14	12
Wastewater and Drinking Water Engineering Plan and Specification Reviews			1100	1700
Drinking Water Sanitary Surveys	459	454	366	395
Active 319 projects administered (previous Calendar Year)		53	51	60
319 Projects Completed (previous calendar year)		15	31	11
Completed LUST Cleanups	40	35	32	26
Underground Storage Tank Compliance Assistance Visits	282	269	187	373
Hazardous Waste Inspections (regulatory and compliance assistance)	229	245	291	260
Phosphate Mine Sites Undergoing Investigation/Cleanup Activities	10	10	8	8
Snake River Plain Environmental Samples Analyzed (for DOE/INL activities)	2,731	2,609	2,406	2,852

Statewide Performance Highlights

Air Permit to Construct (PTC) Streamlining

In order to improve customer service, DEQ has streamlined the PTC issuance process. The result of the streamlining initiative is that the permitting process is now averaging 55 days to complete, far better than the original 99-day goal (this compares to the 229 to 311 days it took before the permit streamlining). The efficiency of the streamlining initiative has been carried over into other permitting programs, as well.

Clean Air Zone Idaho

Clean Air Zone Idaho, the statewide voluntary vehicle anti-idling program, has grown to 273 schools (40%) in Idaho. This number of schools manages 1,252 buses and represents over 113,040 students. Also, the program has posted *Clean Air Zone* signs at 174 public facilities around the state, including parks, youth and community centers, and libraries.

DEQ facilitated the awarding of Idaho's first grant for diesel retrofit from EPA, which provided three Idaho school districts \$250,000 to retrofit 112 school buses with clean diesel technologies. This technology reduces the discharge of carbon monoxide by 90%, hydrocarbons by 75% and particulate matter by 38%, which, collectively, is equivalent to 7,911 pounds or nearly four (4) tons of pollution per year.

Drinking Water and Wastewater Infrastructure Improvements

The DEQ Drinking Water Planning Grant Program provides assistance to eligible public drinking water systems for facility planning projects designed to ensure safe and adequate supplies of drinking water. In FY 2007, DEQ awarded \$158,471 in drinking water planning grants to 10 communities and water districts.

The DEQ Drinking Water Revolving Loan Fund provides below-market-rate interest loans to help repair or build new drinking water facilities. The cumulative total of drinking water loans awarded in the history of the program through FY 2007 by DEQ is \$74,165,845.

The DEQ Wastewater Planning Grant Program provides financial assistance to eligible entities that are planning to upgrade public wastewater facilities. In FY 2007, DEQ awarded \$454,234 in wastewater planning grants to nine (9) cities and one (1) County.

The Water Pollution Control State Revolving Loan Fund provides below-market-rate interest loans to help build new or repair existing wastewater treatment facilities. The cumulative total of wastewater loans awarded in the history of the program through FY 2007 by DEQ is \$280,111,391.

Greenhouse Gas Reduction Plan

Atmospheric concentrations of greenhouse gases are rising and projected to continue to increase. At the direction of the Governor, DEQ is taking a leadership role and forming a committee of all the state departments for the coordination and implementation of the greenhouse gas reduction plan. DEQ will be the point of contact in developing a greenhouse gas emission inventory and providing recommendations to the Governor on how to reduce greenhouse gas emissions in Idaho.

Among state agencies in Idaho, DEQ is a leader in purchasing alternative-fueled vehicles. Under the Energy Policy Act of 1992, the states are required to purchase alternative-fueled vehicles for at least 75% of their vehicle fleets. Although our state, as a whole, has not yet reached that goal, 28 out of the last 30 vehicles purchased by DEQ are E85 compliant. DEQ will be purchasing 10 new vehicles in FY 2008 and will continue to focus on obtaining alternative-fueled and fuel-efficient vehicles.

In another proactive move to reduce air pollution, Governor Otter has directed DEQ to develop a plan to allow state employees to work from home. Telecommuting could reduce congestion, air pollution, and possibly delay the need to build new highways.

Mercury Monitoring and Prevention

Air Monitoring: Mercury pollution is a growing concern in Idaho and nationwide, and DEQ is taking the initiative to monitor and prevent mercury emissions. DEQ has received funding to add two more mercury deposition monitoring sites, one in McCall and one in Nampa, in addition to the existing site at Craters of the Moon National

Monument. The sites are part of the Mercury Deposition Network, a monitoring network currently comprised of more than 85 sites in North America. Its purpose is to develop information on spatial and seasonal trends in mercury deposited to surface waters, forested watersheds, and other sensitive areas. The information will be used to help determine how mercury emissions impact human health.

Water Monitoring: In conjunction with the Idaho Department of Fish and Game, DEQ is conducting mercury fish tissue monitoring at 50 randomly selected lakes/reservoirs. The 50 random lakes/reservoirs are from a target population of 225 water bodies greater than 50 acres with one or more fish species present. This monitoring effort will provide information on how widespread the mercury problem is in Idaho's surface water.

Under DEQ's Water Quality Standards, a new fish tissue criterion for methylmercury will help us evaluate whether water quality is impaired by mercury. This past year, DEQ submitted two water quality improvement plans known as total maximum daily loads (TMDLs) for mercury to EPA. These TMDLs, for Jordan Creek and Salmon Falls Reservoir, are the first mercury TMDLs that DEQ has completed, and are the test cases for using the fish tissue criterion for mercury in developing TMDLs. These two test case TMDLs are currently under review by, and being negotiated with, the EPA.

Mercury Switch Program: Mercury was used in light switches and antilock braking systems in some vehicles manufactured before model year 2003. During the steel melting process, it can be emitted into the air where it can eventually contaminate surface waters and make fish unsafe for consumption.

Auto recyclers and salvage yards in Idaho have been contacted by DEQ to urge their participation in the National Vehicle Mercury Switch Recovery Program. The program is designed to reduce mercury emissions by removing mercury-containing light switches from scrap vehicles before the vehicles are flattened, shredded, and melted to make new steel. Auto recyclers and salvage yards that participate in the recovery program can receive \$1 per mercury light switch or assembly and \$3 per antilock braking system module recovered.

DEQ is facilitating participation in the program by providing instructions on how to join the program and by providing pre-addressed postcards that auto recyclers and salvage yards can easily mail to End of Life Vehicle Solutions, which is operating the program, to obtain free switch collection buckets. As of the end of fiscal year 2007, 19 salvage yards have joined the program.

Underground Storage Tanks (UST)

In 2007, the Idaho Legislature passed the Idaho Underground Storage Tank (UST) Act, which gives DEQ the authority to establish an underground storage tank program to comply with the requirements of the Federal Underground Storage Tank Compliance Act of 2005 and federal underground storage tank rules. DEQ will establish an underground storage tank program by promulgating rules through negotiated rulemaking. DEQ conducted negotiated UST rulemaking this summer and sent a proposed rule and notice to the Administrative Bulletin in July for the 30-day comment period in September. A public hearing will be held in October and the rules will go before the DEQ Board for adoption in November, and if approved will be presented to the legislature in the 2008 legislative session.

To help with the implementation of the UST program, DEQ has developed a tank helper program to train UST owners and operators in the operation of UST systems, and it is expected to be used at tank sites in the fall of 2007.

Based on the requirements of the Federal Act, DEQ has now completed site visits/inspections at all active UST sites in Idaho. This is the first time this has been done since the beginning of the program. DEQ is in the planning stages to begin inspections and owner/operator training on a 3-year rotational basis. DEQ conducted 373 site visits/inspections in FY 2007 to meet the August 8th deadline as mandated by the new Federal UST Compliance Act.

Regional Performance Highlights

Brownfields in North Idaho

Brownfields, which is a program designed to bring contaminated sites back into economic use, began providing services in the Coeur d'Alene and Lewiston Regions in 2006. Several projects are nearing completion and are described below.

Alpine Lumber Supply, Sandpoint, ID: In August 2006, the City of Sandpoint requested a Brownfields assessment to determine the nature and extent of contamination (if any) at this site. The assessment work triggered the development of environmental covenants which prevent the construction of domestic water wells on the site. The additional assessments and risk evaluation convinced a company to acquire the property. Their business expansion plan for the company includes an addition of 15 jobs and construction of two additional buildings. Increased property value and local property tax revenues are expected.

Priest River Landfill, Priest River, ID: The City of Priest River requested a Brownfields assessment to determine the nature and extent of contamination (if any) at this site. The site was used as an unregulated refuse dump from the early 1900's until it was closed and capped in the mid 1970's. Based on the assessment reports, a risk evaluation was also conducted. The evaluation concluded that the remaining environmental and physical hazards are manageable. The site is surrounded by valuable residential property and has the potential for future development. The City plans to sell the property with a condition that once a focused redevelopment plan is designed for the site, the new owner should conduct additional sampling to further characterize the site.

Cache Valley, Idaho Commuter Bus Service and Woodstove Change Out

DEQ is proactively addressing particulate matter (PM) air quality issues in southeast Idaho's Cache Valley. The Cache Valley is close to being designated as a "nonattainment" area for not meeting the PM_{2.5} air quality standard. To proactively address some of the contributing factors to the Cache Valley air quality problem, DEQ implemented a "fare free" bus service from October 2006 through February 2007. Bus ridership averaged approximately 1000 riders per month during this time period. The bus service has continued and is funded by additional non-DEQ sources to help the 1700 daily commuters who travel from Idaho to Utah. It was anticipated on the outset of this project that 70 vehicles would be removed from the road daily, equating to emissions reductions of: 0.506 lbs/day of particulate matter; 1.168 lbs/day volatile organic compounds; and 19.4 lbs/day of nitrogen oxides (NOx), which is one of the largest contributors to PM_{2.5} formation.

DEQ also implemented a wood stove change-out program in the Cache Valley. This program offered a \$500 rebate, plus 10% off the purchase price of a new wood stove, for those people who used old inefficient wood stoves. DEQ was able to change out a total of 76 wood stoves, reducing nearly four (4) tons of emitted particulate matter in the Cache Valley.

Coeur d'Alene Basin Remediation Program Update

In 2006, the Basin Yard Program remediated 550 residential and commercial properties in the Silver Valley. This was a 60 % increase over 2005 and yielded the largest number of properties remediated in any year since Superfund actions in Operable Unit 3 began. The properties remediated equate to reclaiming an estimated 60 acres of contamination. Approximately 72,000 cubic yards of contaminated soil were removed from contact areas and taken to the Big Creek Repository for consolidation, management, and long term storage. DEQ consultants also sampled soils on an additional 1,068 properties to plan for future remediation efforts. Other activities included a partial reclamation of a closed mine and mill site along the Coeur d'Alene River and site selection activities for a new repository to be located further west, closer to the Lower Coeur d'Alene Basin. This repository is necessary to support the continuing Yard Program, real estate development, and the Institutional Controls Program. The Basin Institutional Controls Program was adopted by the legislature in 2007.

Treasure Valley Air Quality

Over the next several years the Treasure Valley faces the potential of becoming out of compliance or in "nonattainment" with federal air quality health based standards for fine particulate matter (PM_{2.5}) and ground level ozone. Two factors play an important role in this risk. First, the Treasure Valley is expected to continue to grow at a fast pace through 2030. With this growth, air quality challenges will continue. The Treasure Valley can expect more vehicles on the roads, more development and more emissions. Secondly, in 2006, the U.S. Environmental Protection Agency issued new strengthened standards for PM_{2.5} and, in 2007, proposed a tighter standard for ozone. These new standards bring the Treasure Valley even closer to the nonattainment threshold, which could limit the ability to support continued growth, encourage new industries that provide jobs, attract a

skilled workforce, and support tourism. As of 2006, the Treasure Valley is at an average of 34.3 ppm for PM_{2.5} (35 is the new standard) and an average of 77 ppb for ozone (70 or 75 is expected to be the new proposed standard).

By taking proactive approaches to fine particulate matter and ozone problems now, the Treasure Valley may avoid future nonattainment for these pollutants and protect our citizens' health while fostering economic growth. To do so will require a commitment by the citizens, businesses, industries, and governments of the Treasure Valley to the actions outlined in the Treasure Valley Air Quality Plan and more.

One of the recommendations contained in The Treasure Valley Air Quality Plan directs DEQ to enter into negotiated rulemaking to develop a rule requiring Stage 1 vapor recovery to be installed and operational at all retail gasoline stations in Ada and Canyon Counties by December 31, 2011. The installation and operation of Stage 1 vapor recovery is one of the greatest opportunities for VOC reductions in the Treasure Valley. The benefits are significant in reducing ozone and PM_{2.5} precursor compounds. Installation of Stage 1 vapor recovery at all retail gas stations will result in the reduction of volatile organic compound (VOC) emissions by over 1,079 tons per year, which constitutes a 97% reduction for this source.

Weiser Water Quality Protection Project

In 2000, after the designation of the Weiser area as the number one nitrate priority in Idaho, the Weiser River Soil Conservation District secured a grant from DEQ to address nitrate contamination in ground water. Because land use in the area is predominantly agricultural, farming practices reducing the amount of nitrates entering the ground water from fertilizers was targeted. The two primary objectives of the project were to demonstrate methods agricultural producers could use to protect ground water from nitrates and to initiate watershed-wide best management practices. The project involved farmers; the Weiser River Watershed Advisory Group; Washington County; the city of Weiser; and the Weiser Area Ground Water Advisory Committee, as well as other state and federal agencies.

Working together, the groups were able to achieve a fertilizer application reduction of 37,700 pounds of nitrogen and 405 pounds of phosphorous from 2003 to 2006. This reduction in fertilizer resulted in a \$17,365 savings in fertilizer costs for the involved farmers. Eleven new irrigation systems were installed saving 60 acre feet of water annually, six sediment basins were installed with the capability to collect more than 180 tons of sediment each year, and 3.75 acres of filter strips were installed to reduce sediment carried by irrigation run-off. All of this was accomplished without affecting crop yields. Publicity given to this project allowed the larger farming community in the Weiser area to learn from this project.

Part II – Performance Measures

Performance Measures	FY 2004	FY 2005	FY 2006	FY 2007	Benchmark/Targets FY 2008
1. Percentage of Permits to Construct issued within required timelines, after completeness is determined.			57%	A: 77% B: 80%	80%
2. Percentage of days as measured by the Air Quality Index that air is in the healthy category.	99.6%	99.3%	99.9%	A: 98% B: 95%	95%
3. Percentage of drinking water and wastewater plan and specification reviews completed within 42 days of receipt.			72%	A: 82.5% B: 80%	85%
4. Number of impaired water bodies that have approved TMDLs for all impairments.			119*	A: 57 B: 269	See #4 below
5. Percentage of people on Community Water Systems served drinking water that meets health-based standards.		98.6%	98.9%	A: 94.8% B: 92%	92%
6. Percentage of time-critical or scheduled hazardous waste permits and/or reviews completed within established timeframes.	100%	100%	100%	A: 100% B: 100%	100%
7. Number of Brownfields site assessments completed.			11	A: 22 B: 15	17
8. Percentage of time that continuous air monitoring stations and real-time radiation monitoring stations are operational to monitor INL conditions.	93.6%	99.3%	99.1%	A: 98% B: 90%	97%

DEQ has met or significantly improved its planned performance in most of the measures listed below, which were selected to assess the efficiency and effectiveness of program delivery to DEQ's customers and implementation of Idaho's environmental statutes.

* This is the cumulative total of TMDLs completed since the program's inception.

A = Actual

B = Benchmark/Targets

Performance Measures Explanatory Notes:

Numbers correspond to Performance Measures above.

1. This performance measure was added in FY 2006; therefore, historical numbers are unavailable.
2. On a daily basis, DEQ issues a "forecasted AQI" based on recent air quality data. The "actual AQI," as defined in Federal Regulations, cannot be calculated until the following day and will not be the same as the forecasted AQI. This performance measure is based on the actual AQI.
3. This performance measure was added in FY 2006; therefore, historical numbers are unavailable.
4. This performance measure is being modified for FY 2008 to match how numbers are reported to the Environmental Protection Agency. It will be modified to read: Number of TMDLs completed for assessment unit/pollutant combinations. FY 2008 benchmark = 660.
5. This measure has been modified to count assessments completed instead of sites made ready for reuse.

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